

GENOVA & MALIN  
Attorneys for the Debtor  
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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK  
POUGHKEEPSIE DIVISION

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**IN RE:**

**GILMAN'S CLEANERS, INC.,**

**CHAPTER 11  
CASE NO. 20-35780 (CGM)**

**Debtor.**

-----X

**AFFIDAVIT UNDER LOCAL  
BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK )  
 )S.S.:  
COUNTY OF DUTCHESS )

I, DANIEL HINTON, being duly sworn, deposes and says:

1. That he is the President of the debtor corporation herein and makes this Affidavit pursuant to Rule 1007-2 of the Rules of this Court.
2. That there is no other or prior Bankruptcy Proceeding filed by or on behalf of the corporation except those listed on the debtor's petition.
3. That the names and addresses of all the known creditors are attached to the debtor's Chapter 11 petition.
4. The debtor is not involved in any lawsuits now pending, aside from those listed in the Chapter 11 Petition at Statement of Financial Affairs, Question 4.
5. That there is no property of the debtor in the possession or custody of any public officer, receiver, trustee or assignee for the benefit of creditors, mortgagee pledge or assignee or rents.
6. The debtor has no shares of stock, debentures or other securities which are publicly held.

7. The estimated amount of the gross monthly payroll is \$40,532.23. The debtor has 12 employees.

8. The estimated pro forma operating expenses for a thirty (30) day period is set forth as Exhibit "A" annexed hereto.

9. It is estimated that the debtor will not incur a profit from its business operations for a period of thirty (30) days following the filing of the Chapter 11 petition.

10. The debtor's financial difficulties have been caused by the following circumstances:

The debtor operates a commercial dry cleaning and laundry business in Middletown, (Orange County), New York. Prior to the filing of the petition, the debtor fell behind in its equipment lease obligations and taxes. Due to the Covid-19 pandemic, the debtor's operations were shuttered for a few months and the debtor's cash flow further suffered. As a result, the debtor believes that a resolution with its creditors before the United States Bankruptcy Court is necessary, and in the best interest of its creditors in order to enable the debtor to propose a meaningful restructure of its debts.

11. The debtor's first day Order includes the retention of counsel pursuant to 11 U.S.C. §327.

12. It is respectfully submitted that the best interest of the creditors, the debtor and the community it would be a service in allowing the debtor to continue its business. Otherwise, in the event of liquidation, unsecured creditors would receive little if anything in the way of a dividend. If the operations are continued and a Plan can be negotiated with creditors, the results will be the rehabilitation of the debtor.

For all of the above reasons, the debtor desires to continue the operations of its business.

GILMAN'S CLEANERS, INC.

By: /s/ Daniel Hinton  
Daniel Hinton, President

Sworn to before me this  
27<sup>th</sup> day of July, 2020.

/s/ Michelle L. Trier  
MICHELLE L. TRIER  
Notary Public, State of New York  
Qualified in Dutchess County  
Comm. Expires 2/27/24

R E S O L U T I O N

The undersigned, DANIEL HINTON, being the President of GILMAN'S CLEANERS, INC., a corporation organized under the laws of the State of New York, DOES HEREBY CERTIFY that a Special Meeting of its shareholders, duly held on July 27, 2020, at which the President of the corporation was present and acting the following resolution was duly adopted:

"WHEREAS, the corporation is unable to meet its debts as they mature, be it

RESOLVED, that the corporation, through its President be and it hereby is authorized to take such steps as may be necessary in the best interests of the corporation and the creditors, including, but no limited to, the filing of a petition for reorganization under Title II of the U.S. Code; to sign such petition and affidavits as may be required in said proceedings; and it is hereby authorized and empowered to retain the firm of GENOVA & MALIN, 1136 Route 9, Wappingers Falls, New York, 12590, as its attorneys in this matter."

IN WITNESS WHEREOF, I have signed the resolution of said shareholders, 27<sup>th</sup> day of July, 2020.

GILMAN'S CLEANERS, INC.

By: /s/ Daniel Hinton  
DANIEL HINTON, President

EXHIBIT "A" - 30 DAY PRO FORMA BUDGET

INCOME

Sales	\$ 11,623.24
<b>TOTAL</b>	<b>\$ 11,623.24</b>

Expenses:

Rent.....	\$ 2,575.00
Repairs & Maintenance.....	\$ 2,100.00
Payroll.....	\$ 40,532.23*
Advertising.....	\$ 26.50
Auto Expenses.....	\$ 183.38
Utilities.....	\$ 845.37
Telephone.....	\$ 214.19
Office Supplies.....	\$ 441.83
Soap & other dry cleaning supplies.....	\$ 2,500.00
Equipment lease payments.....	\$ 4,600.00
Insurances.....	\$ 1,900.00
<b>TOTAL EXPENSES</b>	<b>\$ 54,018.50</b>

Net income: \$ (3,763.03)

\*Paycheck Protection loan funds to pay payroll expense for 30 day period post-filing.